

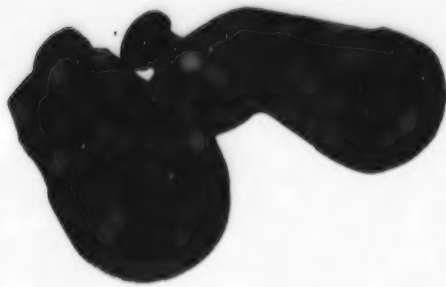


Reaching

Business Plan 2000 - 2003



Alberta Treasury Branches



Although the financial world is changing around us, ATB's vision continues to guide our actions. It sets the destination for the journey we are on and guides the choices we make. Combined with our mission, commitments and critical success factors, it provides the roadmap for reaching higher and achieving our goals.

The Vision Continues

A vision for ATB's future

To be Alberta's first choice for financial services in three target market areas: individual financial services, agri-industry, and independent business. Albertans investing in Alberta.

ATB's mission

To provide personalized financial services to Albertans while earning a fair return.

ATB's commitments

- To meet customers' needs through innovative financial services at a competitive price.
- To demonstrate integrity in all our financial decisions through a secure balance sheet, prudent investment practices, and by reporting our performance against published targets.
- To retain the trust and confidence of our customers, staff, and the people of Alberta through open and accountable communications.
- To treat our customers and staff with fairness and respect.
- To have the best people through a competitive compensation program, training and education, and career opportunities to develop staff to achieve their full potential.

Critical success factors

People - Motivated, committed and knowledgeable staff focused on sales and customer relationships.

Productivity - Continuous improvement through processes, systems and technology to deliver quality customer service while holding costs at or below industry standards.

Profitable growth - By meeting or exceeding customer expectations.

Customer access - Continuous improvement in the ability to serve customers through delivery channels they want.

Prudent risk management - Proactively manage the balance between asset growth and asset quality through prudent risk management practices to ensure the long-term sustainability of earnings.



For more than 60 years, Alberta Treasury Branches (ATB) has been on a journey ... a journey of providing Albertans with trusted financial services ... a journey towards unparalleled success.

In 60 years, the journey has had its inevitable peaks and valleys. We're proud of the course we've set. We've reached and surpassed important milestones and achieved good success. But the destination has yet to be reached.

Our goal is a simple one – to be Albertans' first choice for financial services. To achieve that goal, we're determined to reach higher ... to expand our market share, provide the quality products and services, and seek out opportunities to serve Albertans today and tomorrow.

At ATB, we've taken deliberate steps to build on our strengths and past successes and position ourselves for the opportunities of the future.

A message from the Board Chair and CEO

It's the year 2000. Months of preparations for the new millennium have come and gone. For many, it's been a time of reconciling the achievements of the past with anticipation of the future ... new challenges, new opportunities, new decisions to make in the face of a very dynamic and changing world.

At ATB, we've taken deliberate steps to build on our strengths and past successes and position ourselves for the opportunities of the future.

This business plan is designed to blend the old with the new. To sustain and build the advantage we hold today - with trusted, personalized service and a deep commitment to Alberta. To prepare for the future - to reach higher with expanded technology, well-trained staff, new products, and the ability to be nimble and move quickly when new opportunities arise.

The past year has been an important turning point for ATB.

- Financial results for 1998-99 continued the very positive trend of healthy profits for the past few years.
- With these positive results, ATB completely eliminated its accumulated deficit.
- While banks are closing branches, ATB's commitment to Alberta communities continues to be a hallmark of our success. New branches were established and plans are well underway for upgrading existing branches and expanding the branch network in 2000.



Marshall M. Williams
Chairman of the Board



Paul G. Haggis
President &
Chief Executive Officer

- A state of the art Call Centre was established in July 1999. By the end of March 2000, the Call Centre will enhance customer response time by managing about 80% of the calls to branches.
- With the centralization of administrative functions for personal loans and mortgages, we have reduced costs and freed up branch staff to spend time where it counts most – dealing directly with our customers.
- Training continued to be a top priority. Our goal is to have the best people in our branches with sound knowledge of our products and a keen desire to serve our customers in every way we can.

Those positive achievements mean we are on the right track. And we're optimistic and excited about what the future holds. While we have been re-focusing our efforts, re-building our strengths, and re-charging our business team, our work continues to fully implement the business plan initiatives, as outlined in our previous three-year plan.

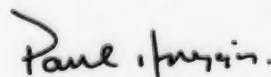


Marshall M. Williams
Chairman of the Board

It's been a remarkable journey and we're proud of the results. But, this is only just the beginning.

Today, we face an incredibly competitive marketplace. Customers expect leading edge products, expanded access, qualified advice, and timely and knowledgeable services at a competitive price. ATB is not alone in wanting to meet those expectations. Other financial institutions are ready and eager to take our place if we don't hold a competitive edge by being relevant and credible to our customers. A changing marketplace means we could see new financial institutions venture into the market. The Internet and new technology are opening up new ways for people to do business at the touch of a keyboard and the speed of their telephone.

Clearly, the journey must continue. For us, that means reaching higher. Taking the success we've built so far and using that as a springboard to reach higher, achieve better results, expand our markets and reach the goal we set – to be Albertans' first choice.



Paul G. Haggis
President & Chief Executive Officer



ATB's success, like so many businesses, depends on the strength of Alberta's economy. When Alberta's economy is growing, people have jobs, invest their money, buy homes, start new businesses and expand existing ones. All of that activity points to tremendous opportunities for financial institutions like ATB.

A Strong Economy Points to Continuing Success

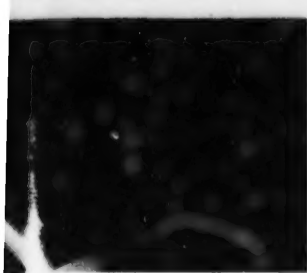
Looking ahead, forecasts predict continued strong growth for Alberta's economy. The recent upsurge in oil and gas prices has stimulated growth and investment. Significant new investments in the oil sands will bring added jobs and growth in northern Alberta. Alberta's agricultural sector is diversifying and expanding for value-added products. Alberta's low taxes, job market and quality of life are attracting more and more people from across Canada.

Taken together, these signs point to increasing opportunities for ATB in our three target markets:

- in serving the individual financial needs of a growing number of Albertans, especially with mortgages, loans and deposits;
- in expanding products and services to meet an increasingly diverse agricultural marketplace; and
- in keeping pace with the rapidly changing needs of our business clients.



Stu Laird, Senior Relationship Manager and
Ember Gehring, Regional Credit Manager



ATB Online
cash management system
for business financial services

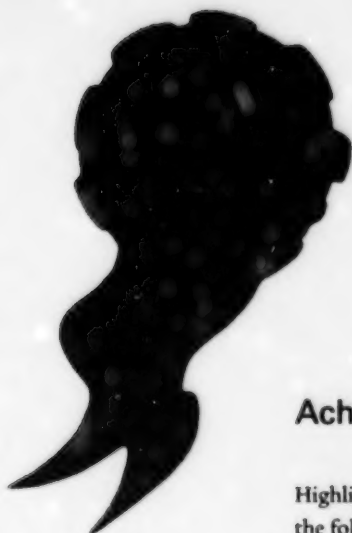
The one thing certain in Canada's financial world is change.

The Financial World is a World of Change

While bank mergers are no longer in the news, financial institutions are consolidating and reassessing their business strategies. Others are choosing to specialize in certain markets, developing a niche and expanding that to markets around the world. While banks used to dominate the financial marketplace, today huge mutual fund companies control the assets of millions of Canadians. The financial marketplace is opening up and new federal policies could see insurance companies and other businesses getting into the traditional deposit taking and chequing services business. Technology – especially the Internet – is changing both the way business gets done and the expectations of customers. Canada's major banks are posting record profits and, at the same time, are consolidating branches and reducing staff.

The result is uncertainty and rapid change in the marketplace. The good news is that ATB's traditional strengths of personalized customer services will continue to be in demand. The loyalty of our staff and our customers are competitive advantages that ATB enjoys. ATB is a significant player in the Alberta market and offers a true alternative ... a friendly, trusted and credible partner in the sometimes-stormy world of change in the financial services market.





In the past fiscal year, ATB has achieved a solid record of success on the three strategies set out in last year's business plan – achieving prudent growth, managing expenses and optimizing profits.

Achieving a record of success

Highlights of our record of success include the following:

- ATB ended the 1998-99 fiscal year with profits of \$110.7 million.
- Extensive training programs focused on performance management, sales training and credit training.
- A new awards program recognizes the achievements of our staff.
- A new community relations program reflects our strong commitment to the communities we serve.
- A new sales delivery model was implemented for two of our target markets – independent business and agri-industry.
- New product introductions this past year include the launch of Registered Education Savings Plans; four new MasterCard products, including Alberta Gold, Alberta Business, and a new Alberta Agri-business card; the 3.5% Millennium Mortgage; and the Springboard GIC, with a rate of interest that increases each year.
- Steps were taken to establish a mobile sales force, bringing a solid package of expertise, service, and products directly to our customers whether they are in a downtown office tower, a real estate office, or a farmer's field.
- New branches were established in Calgary (Shawnessy and Northpointe), Edmonton (Nanaimo) and Fort McMurray (Thickwood). In addition, 7 branches relocated or were renovated, including: ATB Place, Palisades, West Pointe, Lacombe, Drumheller, Vermilion, Hinton and Barrhead. Sherwood Park Wye Garden and Lloydminster will relocate to new facilities early in the new year.
- We're making good progress in managing and reducing expenses. By centralizing personal loan and mortgage administration, ATB reduced expenses by \$5 million.
- The new Call Centre will handle the majority of calls to branches. This will improve customers' access to the information they need, and free up branch staff to spend time with customers.
- Work continues on COLT – credit on-line technology. This new customer-centric tool helps ATB lenders focus on those factors they need to consider when arriving at a lending decision. When it's fully up and running, it will streamline the credit decision process, shorten turnaround time, and improve credit decisions.
- Continued progress has been made in reducing loan losses and improving the bottom line. Prudent loan policies are strengthening our ability to manage and diversify risks.
- The new Insight profitability reporting system is moving forward, providing staff with a common base of solid financial information.



Scott Cameron
ATB Call Centre



ATB Business Mastercard



We're proud of our record of success. But it's just the beginning.
A number of important challenges demand that we reach higher.

Reaching higher

For this business plan, the focus continues on three key strategies – achieving prudent growth, managing expenses and optimizing profits. With a number of initiatives underway, the priority for this business plan is to follow through, implement the plans in place, and integrate the initiatives undertaken in the past three years.

Achieving prudent growth

At ATB, we're not content with the status quo. We see the potential of our business, the opportunities ahead, and we're determined to grow, expand markets, and bring ATB's products and services to more Albertans across the province.

Reaching higher means focusing on three areas – people, processes, and access to ATB services.

People - Capable, knowledgeable and proactive people are key to ATB's success. We're known for our personalized, flexible and dependable service. And we need to capitalize on that reputation to grow and expand our business. We'll do that by:

- Establishing a proactive sales culture focused on customers and able to identify and meet their needs.
- Developing, attracting and retaining the best talent in the business.
- Continuing our focus on excellent training opportunities, focusing especially on the new credit on-line technology, credit skills and sales leadership.

Processes - Good people combined with simple, efficient and effective processes are essential to give our customers the service they expect. We'll continue efforts to streamline and improve processes by:

- Implementing COLT - credit on-line technology. Full implementation is set for the end of the third quarter 2000.
- Further streamlining and centralizing administrative functions to improve productivity.

Access - Customers want convenient access to services when they need them, at any time. That might mean branches in convenient locations, kiosks in shopping centres, automated banking machines, telephone banking or Internet banking. In today's highly competitive marketplace, ATB's strategy is to bring services to the customer, providing a variety of options tailored to our customers' needs and expectations. We'll do that by:

- Expanding ATB's network of branches. Three new branches will be up and running in Calgary in 2000 and plans for additional branches and renovations are in the works for Canmore, Cochrane, Drumheller, Edmonton, Fort Saskatchewan, Grande Prairie, Lloydminster and Sherwood Park.
- Establishing a new business kiosk in Calgary in the summer of 2000.
- Implementing ATB Online, an Internet cash management system for independent business, early in 2000.
- Introducing retail Internet banking for customers who want immediate access to ATB's services on-line.



Gwen Nieuwkerk
Central Services



Namao Centre Branch



Samantha Vermette
Shawnessy Branch

- Developing new products and services to meet customers' needs, especially in agri-industries and independent business markets.
- ATB is one of the founding partners of epost, Canada Post's web-based mail delivery service. By early 2000, ATB customers will be able to opt to receive some of their account statements (for chequing, savings and loan accounts) from ATB electronically, rather than through the regular paper-based mail service.

Performance Measures:

- Loan growth
- Deposit growth
- Other income growth
- Reduced loan losses and prudent reserves
- Interest spread

Managing expenses

At ATB, our objective is to get the best value for every dollar we spend. That means continuing to ask ourselves, "How can we do things better? How can we simplify processes, make the best use of people's time and expertise? And how can we get the best results for our customers?"

For this business plan, the emphasis on efficient delivery of first rate customer products and services continues to be an essential strategy for success. We'll build on steps taken in the past few years by:

- Following through on initiatives to centralize administration especially in credit, mortgage and loan approvals.
- Expanding use of the Call Centre to handle routine inquiries and provide information to customers.
- Continuing to invest in technology and management information systems.

Performance measures:

- Expenses to operating revenue

Optimizing profits

Albertans are concerned about the bottom line. So are we.

Like any Alberta business, we're determined to provide excellent service to our customers, provide competitive rates, and achieve a reasonable profit. And like other businesses, we also have a commitment to all Albertans to make a fair return on their investment.

For ATB, the objective is a simple one - to achieve rates of return comparable with our competition. We'll do that by:

- Following through on our strategies for profitable growth in our core businesses and managing expenses.
- Minimizing credit losses through prudent lending policies.

Performance measures:

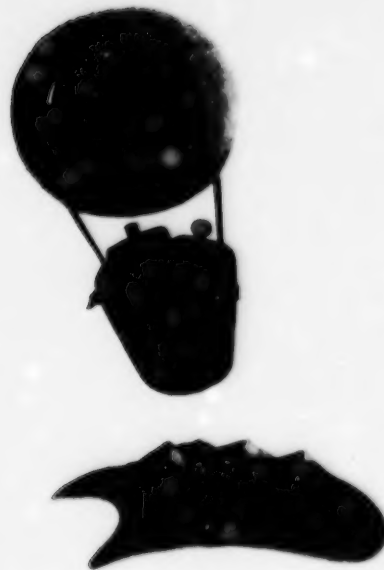
- Return on assets
- Return on equity



Winston Atwell
Central Services



Cheryl Leis
ATB Call Centre



At ATB, we're reaching higher.

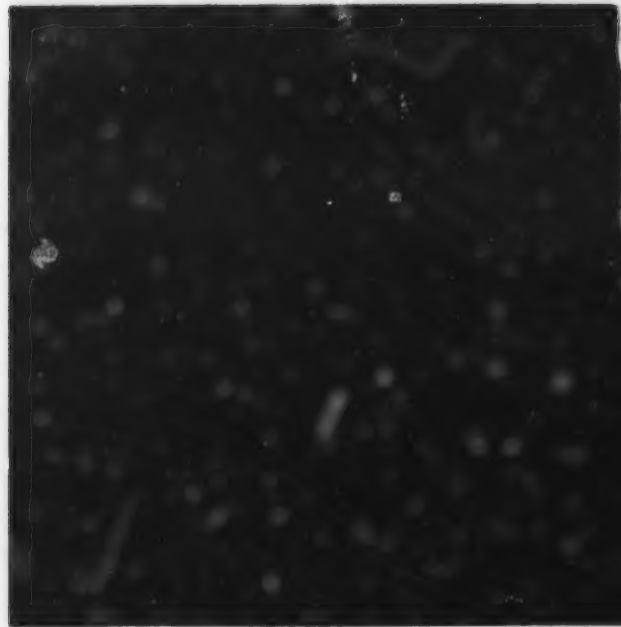
It's been a time of outstanding success at ATB. We've turned the corner on profits. Carved out our markets. Developed new products and services for our customers. And retained what our customers want most – personalized, knowledgeable service from people they know and trust.

It's been a marvelous journey so far. But now it's time to reach higher.

Alberta is a challenging and dynamic marketplace. In a time of growth and prosperity, it's time for ATB to reach beyond today's achievements, to set our sights even higher, and take the next bold steps to achieve our dream ... to be Albertans' first choice in our three target markets.

Like every business, there is risk, uncertainty and opportunity ahead. But risk and uncertainty are never an excuse for standing still while opportunity passes by. At ATB, we know our strengths. We know our customers. We know Alberta. And we're ready to reach higher.

And so, the journey continues.



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